

19 March 2014

Director
Rules
AUSTRAC
PO Box 13173
Law Courts
MELBOURNE VIC 8010

Email: aml_ctf_rules@austrac.gov.au

Dear Sir/Madam,

Re: Further draft AML/CTF rules relating to customer due diligence

The Australian Institute of Superannuation Trustees (AIST) is an independent, not-for-profit professional body whose mission is to protect the interests of Australia's \$600 billion not-for-profit superannuation sector. AIST's members are the trustee directors and staff of industry, corporate and public-sector superannuation funds, who manage the superannuation accounts of two-thirds of the Australian workforce.

AIST welcomes the current revised draft of these AML/CTF rules and considers that changes made in these chapters provide considerable improvements on the previous draft. AIST continues to support measures that prevent and monitor crime and criminal activity funded through the Australian financial system.

New paragraph 4.1.2

AIST welcomes the addition of the new paragraph 4.1.2 which clarifies that the rules in chapter 4 do not apply to the provision of designated services 40, 42 or 44. We note that this solution appears to solve the issues that we identified in our previous submission that relate to identifying the purpose of a business relationship between a superannuation fund and a member.

AIST welcomes the amendment to this draft of the rules to omit previously proposed requirements to collect information regarding the occupation of a customer. We agree that in the case of members of superannuation funds, the proposed requirement to identify the occupation or business type provided no clear purpose with respect to the identification of the purpose or intended nature of business relationship.

Comments regarding beneficial ownership and control

We welcome the amendment to rule 4.12.1 regarding timing of the obligation, which will allow entities to carry out identification procedures of beneficial owners in a more flexible way, depending on the circumstances. We still consider that payments to deceased estates from superannuation funds represent low risk transactions, and therefore could be added to the simplified trustee verification procedure in rule 4.4.8.

Updating of records

AIST welcomes the addition to the explanatory statement to clarify that the applicable customer identification procedure (ACIP) referred to in rule 15.3 is not intended to mean that a further ACIP is required. This appears to bring requirements to par with those required by the *Privacy Act 1988*. We believe this to be sensible.

If you have any further questions regarding this submission, please contact Richard Webb, Policy & Regulatory Analyst on 03 8677 3835 or at rwebb@aist.asn.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tom Garcia', is written over a light blue horizontal line.

Tom Garcia
Chief Executive Officer